



Utah State Tax Commission

Summary of Utah Low-Income Housing Tax Credit

IT
TC-40LI
Rev. 6/95

The Utah Legislature has authorized a nonrefundable tax credit for use against individual income tax, or corporate franchise or income tax for housing sponsors that have received, or have applied to receive, an allocation of the federal low-income housing credit.

Taxpayers claiming this credit must complete this form and attach it to their individual income or corporate franchise or income tax returns. Taxpayers must also attach a form TC-40TCAC, Utah Low-Income Housing Tax Credit Allocation Certification, completed by the Utah Housing Finance Agency, for each building listed in Column B of this form. See procedure and instructions on the reverse side.

Name of taxpayer claiming credit		Taxpayer identification number	
Address of taxpayer claiming credit		Telephone number	
City	State	ZIP Code	

Total number of forms TC-40TCAC attached

Tax year ending

Summary Worksheet of State Low-Income Housing Tax Credit Allowed

Column A Name of building owner	Column B Building identification numbers (BIN)	Column C Federal low-income housing tax credits, (attach copy of K-1 or Form 8586)	Column D Allowable percentage (line 3, form TC-40TCAC)	Column E Utah low-income housing tax credit (multiply column C by column D)
		\$	%	\$ 00
		\$	%	\$ 00
		\$	%	\$ 00
		\$	%	\$ 00
		\$	%	\$ 00
Total Credit Allowed				\$ 00

Line 1 Amount of credit applied to the tax year the credit was earned
(must not exceed the amount of tax due on your return)

1	\$
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Credit amounts in excess of the current year tax liability may be carried back 3 years or carried forward 5 years.

Carryback Amounts List amount of credit applied and the year of carryback.

**Applied to
tax year:**

Line 2 Amount of credit applied to third prior year

Line 3 Amount of credit applied to second prior year

Line 4 Amount of credit applied to first prior year

Line 5 Total credit carried back (add lines 2, 3, and 4)

2	\$
3	\$
4	\$
5	\$

Carryforward Amounts

Line 6 Amount of tax credit carried forward - first year

Line 7 Amount of tax credit carried forward - second year

Line 8 Amount of tax credit carried forward - third year

Line 9 Amount of tax credit carried forward - fourth year

Line 10 Amount of tax credit carried forward - fifth year

6	\$
7	\$
8	\$
9	\$
10	\$

General Procedures and Instructions

Taxpayers may take a nonrefundable credit against their individual income or corporate franchise or income tax in an amount determined by the Utah Housing Finance Agency. Any housing sponsor that has received an allocation of the federal low-income housing tax credit and any applicant for an allocation of the federal low-income housing credit may apply to the Utah Housing Finance Agency for this tax credit.

The Utah Housing Finance Agency must complete form TC-40TCAC. You must attach the original of this form (TC-40LI) and of form TC-40TCAC to your individual income or corporate franchise or income tax return to claim the credit. Credit amounts greater than the Utah tax liability in the tax year in which the credit is allocated by the Utah Housing Finance Agency may be carried back three years or may be carried forward to each of the following five taxable years. If you carryforward this tax credit, you must attach a copy of this completed form, with the new carryforward amount, to your tax return. Carryforward credits shall be applied against the tax liability of any year before the application of any credits earned in the tax year. In other words, credits shall be applied on a first-earned, first-used basis.

Taxpayers must keep copies of tax credit records for three years from the date the return is filed.

If you need further information, please contact the Utah State Tax Commission at (801) 297-2200 or toll free 1-800-662-4335 if outside the Salt Lake City area.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunication Device for the Deaf (TDD) (801) 297-3819. Please allow three working days for a response.

Worksheet Instructions: The top section is to be completed for the tax year in which the credit was originally earned.

- Column A:** List the entity which owns the low-income housing tax credit project.
- Column B:** Each building of a low-income housing tax credit project has a specific Building Identification Number (BIN) assigned to it (see Form, TC-40TCAC). List all BIN's for each project on a single line. Attach schedule if more space is needed. For example, if ABC, LLC. is the owner of a low-income project which consists of four buildings, line 1, Column A, would list ABC, LLC. as the ownership entity, and line 1, Column B, would list all four BIN numbers assigned to the buildings of the project. **Attach the original TC-40TCAC for each building.**
- Column C:** List the amount of low-income housing tax credits claimed on the federal return. If you are a shareholder, this is from Schedule K-1 (Form 1120), lines 12(b)(1) - (4). If you are partner, this is from Schedule K-1 (Form 1065), lines 13(b)(1) - (4). If you are a beneficiary, this is from Schedule K-1 (Form 1041), line 13. If you are the project owner in your individual capacity, this is from Form 8586, line 4.
- Column D:** The percentage of federal low-income housing tax credit allowable as a state tax credit is the same for each building in a project. Insert the percentage specified from Form TC-40TCAC, line 3, for the BINs for each project.
- Column E:** Multiply Column C by Column D
- Total:** Add the numbers in Column E and enter the result in the Total Credit Allowed Box.

Carryforward/Carryback Section Instructions

If any unused portion of the credit is carried back to prior years, fill in the appropriate amounts on lines 2 through 5 on the original form for the year the credit was earned. Include the year(s) that the carryback credit amounts are being applied against. The total credit carried back should be included on the current year tax return. This amount will be refunded as part of the current year tax return.

If any portion of the credit is carried forward to years subsequent to the original year the credit was earned, you must attach a copy of the original completed form to your tax return, with the appropriate amounts filled in on lines 6 through 10. For example, for a 1996 tax return, if the credit was carried forward from 1995 (the year the credit was originally earned), a copy of the 1995 form must be included with the 1996 tax return with line 6 filled in with the amount carried forward from 1995. The tax year the credit is applied would be 1996.